

3-7225

12 December 1963

The Honorable Robert McNamara
The Secretary of Defense

Dear Bob:

In connection with the President's economy moves, I believe we should take a very hard look at the intelligence community as a whole. Under my responsibilities as DCI I intend to do so. With this letter I ask your support and cooperation and your indication as to the individuals in your organization I can work with most effectively.

For your information I have ordered a most searching reappraisal of our activities in the Central Intelligence Agency toward accomplishing major savings in both funds and personnel.

This is only part of the problem however. CIA represents only a small percentage of the total intelligence budget.

It is therefore necessary that we take a searching look at the National Security Agency (NSA) and the SIGINT collection activities of the three Services. The same is true of the National Photographic Interpretation Center (NPIC), which has programmed substantial expansions. I have ordered these stopped until a thorough review can be made. Likewise, the National Reconnaissance Office (MNO) budget, its programs and the scope of its activities should be scrupulously reviewed.

It is important that DIA and CIA avoid unnecessary duplication. I have suggested that General Carroll and his senior officers study in depth the activities and resources of CIA and likewise that General Carter and his senior people study in depth the organizational resources of DIA in the interest of planning for the future so that each will use those available resources of

McNamara

the other to the fullest extent and thereby avoid duplicating activities. Quite naturally the statutory responsibilities of the two organizations, CIA and DoD, must be respected.

With respect to the internal intelligence management problems of the Department of Defense, i. e., interrelationships of DIA and the Army, Navy and Air Force intelligence activities, you have indicated that this problem can be enormously simplified if the United States Intelligence Board is reorganized by removing the Service Intelligence officers from the Board. If you approve, I suggest this be done effective January 1, 1964. The Board then would be composed of:

Director of Central Intelligence, Chairman
Deputy Director of Central Intelligence
Director, Defense Intelligence Agency
Director, Bureau of Intelligence and Research,
Department of State
Director, National Security Agency
Representative of the Atomic Energy Commission
Representative of the Federal Bureau of Investigation
Director, National Reconnaissance Office (for
reconnaissance matters only)

I would appreciate your comments.

Sincerely,

15/
John A. McCone
Director

JAM:mcm

Orig - Adse

- 1 - DCI Chrono
- 1 - DCI Defense File
- 1 - ER (via Ex Dir)
- 1 - D/NIPE

U.S. INTELLIGENCE MAY ALTER SETUP

Pentagon Would End Role of Services on Top Board

By HANSON W. BALDWIN

The elimination of the intelligence chiefs of the armed services from the United States Intelligence Board, the top agency of the nation's intelligence community, has been approved by the Pentagon.

The change, a controversial one in the Defense Department, was opposed by the Army Chief of Staff, the Air Force Chief of Staff and the Chief of Naval Operations. It is now awaiting a Presidential decision.

If finally approved, the change will leave the recently established Defense Intelligence Agency as the sole military agency with representation on the Intelligence Board.

The Intelligence Board oversees the entire intelligence community. It acts, in policy matters, as a kind of board of directors.

The projected elimination of the service intelligence chiefs from the board would virtually complete transfer of responsibility and control over military intelligence to the office of the Secretary of Defense, officers of the individual services say.

Role of Defense Agency

The Defense Intelligence Agency, when established by Secretary of Defense Robert S. McNamara, was intended to provide an objective, nonpartisan evaluation, freed from service bias. It was responsible to two masters, the Secretary of Defense and the Joint Chiefs of Staff.

After its establishment, the J-2 (intelligence) staff section of the Joint Staff, which serves the Joint Chiefs of Staff, was dissolved, and many of the functions formerly performed by the individual service intelligence units were transferred to the Defense Intelligence Agency.

This agency is now responsible for current intelligence, enemy order of battle, estimates of military strengths and capabilities of other nations, and some elements of technical intelligence. Many experts from service intelligence agencies were transferred to this agency.

Dulles Opposed Change
It was predicted when the agency was established that the service chiefs of intelligence would ultimately be removed from the United States Intelligence Board. But Allen W. Dulles, the former Director of the Central Intelligence Agency, was opposed to their elimination.

The position of John A. McCone, the present Director of the C.I.A., who presides over the United States Intelligence Board and is charged with coordinating all elements of the intelligence community, is not known. But presumably Secretary McNamara's decision was taken with Mr. McCone's approval.

In any case, when the Joint Chiefs protested the change they were informed that the decision had already been made.

However, apparently in deference to their opposition, the Defense Department decision permits the service intelligence chiefs to attend meetings of the Intelligence Board as "observers" at least until April, when, according to some officers, the order may be discussed again.

Right of Dissent Unclear

Whether the service intelligence chiefs—G-2, or the Assistant Chief of Staff of the Army, for Intelligence; the Director of the Office of Naval Intelligence; and A-2, or the Assistant Chief of Air Staff, Intelligence—will still have the right of dissent is not clear. Some officers said they would be permitted to footnote their dissents in any intelligence estimates agreed to by the Intelligence Board.

The board, presided over by Mr. McCone, now includes representatives of the Central Intelligence Agency, the Defense Intelligence Agency (directly responsible to Mr. McNamara), the State Department, the Federal Bureau of Investigation and the Atomic Energy Commission.

The prospective elimination of the service intelligence chiefs has stirred, among those who know of it, a minor controversy in the Pentagon. A few officers believe that the change may strengthen the Defense Intelligence Agency and enable it to balance to a larger degree the great power of the Central Intelligence Agency.

The majority, however, view the change as another major step in the increasing centralization of authority and control in the Pentagon. They point out that the elimination of the services from intelligence appraisals and estimates places sole control of military intelligence directly under the Secretary of Defense.

This, they concede, may eliminate some of the service differences of the past. On the other hand, they say, it exposes intelligence estimates to political and policy control, and tends to reduce the possibility of dissent.